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SUBJECT: KIRKUK: PIC ESTABLISHED; PC CHAIRMAN ADDRESSES
OUTSTANDING PROVINCIAL ISSUES

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¶1. (SBU) SUMMARY: Months of negotiations between the different blocs of the Kirkuk Provincial Council (PC) ended on 18 August with an agreement signed by representatives of each of the major ethnicities (Kurds, Arabs, Turkomen) establishing the Kirkuk Provincial Investment Commission (PIC). The PIC was approved during the 19 August PC meeting. Separately, PC Chairman Rizgar Ali approached PRT to discuss outstanding provincial issues including joint administration, Asayish, Turkomen language, an exceptional budget, and provincial elections law. Raising these issues may be an attempt to demonstrate Kurdish cooperation and concern after the unilateral actions of the past three weeks. END SUMMARY.

Kirkuk Provincial Investment Commission Formed

¶2. (SBU) Following at least three meetings between all blocs of the Kirkuk PC starting on 14 August, an agreement to form the Kirkuk PIC was formalized in a signed agreement dated 18 August. This is the culmination of several months of negotiations between the blocs, and is a significant step forward for the future of investment in the province. According to Sheik Abdullah Sami al-Assi (Arab PC member), the Arab and Kurdish blocs came to agreement on the framework for the PIC on 17 August, but the Turkomen still held out and refused to sign. All three blocs met on 18 August, and the Turkomen decided on one of three agreed-upon options to finalize the agreement. The PC, during its normally scheduled weekly meeting on 19 August, approved the PIC by open vote. Three Arab bloc PC members (Ramla Obeidi, Mohammed Khalil, and Hala Norradin) attempted unsuccessfully to derail the vote on the PIC at the last minute by claiming now is not the time to make such an agreement since the Kurdish bloc still refuses to honor its commitments under the &Thirteen Points agreement. The final vote saw the Arab bloc split with three Arabs voting yes, and three abstaining.

¶3. (SBU) The Chairman of the Kirkuk PIC is Mr. Falah Abdul Rahman, an independent technocrat with a bachelor's degree in chemistry from Baghdad University. Falah is 49 years old, born in Kirkuk, and comes from a half Kurdish and half Turkomen family. He has a long history as a businessman, including previous work as a vendor for the U.S. Army.

¶4. (SBU) The Deputy Chairman of the Kirkuk PIC is Qahtan Munshir al-Assi, an independent Arab technocrat. He is also the cousin of Kirkuk PC member Sheik Abdullah Sami al-Assi. Qahtan was born in Kirkuk, is 60 years old, and has a PhD in electrical engineering from a university in Rome, Italy. He lived in Italy for 30 years, and is married to a non-Muslim Italian wife.

15. (SBU) The remaining members of the PIC administrative council will be made up of seven representatives. Three will be nominated by the Kurdistan Brotherhood List (KBL), three by the Turkomen bloc, and one by the Arab bloc. The Arab member of the administrative council will have the position of a gatekeeper of sorts who decides what investors have access to the PIC. The KBL representatives will be in charge of planning and public relations. The Turkomen representatives will be responsible for finance, legal, and administrative issues.

Kirkuk PC Chairman Rizgar Ali Asks For Help

16. (SBU) Kirkuk PC Chairman Rizgar Ali (PUK), asked to meet with PRT officials on 18 August to discuss an important announcement. The announcement turned out to be the signed agreement on the Kirkuk PIC. Rizgar followed this by asking for US help and pressure on a set of five issues. He asked that his message be passed to General Petraeus, Ambassador Crocker, and PRT Team Leader Howard Keegan.

17. (SBU) Rizgar's first point dealt with the joint administration of the government in Kirkuk province. This is in response to criticism over the perceived lack of implementation of the 32 percent representational breakdown agreed upon by the Arabs and the KBL in the Thirteen Points agreement (staff level up to DG) does not refer to the makeup of the PC). Rizgar stated that he sent several letters to Baghdad requesting guidance on the

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implementation of joint administration with no response. He said he cannot implement joint administration without approval from the Prime Minister and the ministries in Baghdad.

18. (SBU) Rizgar next brought up the issue of the Asayish) the Kurdish secret police. Rizgar mentioned that COL Mayville (Coalition Forces commander in Kirkuk in 2003-04) cooperated very closely with the Asayish. He said if one walks into Asayish headquarters offices you will see letters of commendation and certificates from Coalition Forces (CF) thanking the Asayish for all the work they have done in fighting terrorism. Rizgar stated that he received a letter from Baghdad in direct reference to the Thirteen Points agreement where the federal government denied the request by Kirkuk to form a National Security Department (NSD) in the province under the 32% representational model. Rizgar attempted to tie the NSD to the Asayish) i.e., if the NSD is formed then the Asayish will be removed. Since the NSD cannot be formed, the Asayish are not compelled to leave. PRT member pointed out that the Arabs do not read the agreement the same way; rather they see the Asayish and the NSD as two parts of the same point.

19. (SBU) Rizgar raised the issue of making the Turkomen language an official language in Kirkuk province. He said that Baghdad had no objection to this, but Rizgar said there needs to be clarification on whether or not the Turkomen script will use the Latin or Arabic alphabet. Rizgar said he personally prefers the Latin alphabet, but that he is now faced with the dilemma of how to determine which to choose.

10 (SBU) Rizgar claimed that Kirkuk was one of the most destroyed provinces in Iraq) more destroyed than any other province. He stated that he asked Baghdad for an exceptional budget to deal with the destruction in Kirkuk in the amount of \$200 million USD. This money would be used on infrastructure related projects such as housing and roads to allay the destruction. He mentioned that his proposal was discussed in the CoR but denied by the Arab Sunni/Shia blocs there. Rizgar asked if the USG could

pressure the Iraqi Government to allocate these funds for Kirkuk.

¶11. (sbu) Rizgar believes that there is some positive movement on the elections law front. He brought up KRG President Massoud Barzani's visit to Kirkuk (on 08 AUG) and his overture to the ITF. He emphasized the importance of this overture. Rizgar said that the PUK and the ITF have good relations, but the KDP has never had dialogue with the ITF. He even ventured to say that he thinks the ITF and the PUK may have a consolidated list at some point in the future. He claims that PC member Ali Mahdi (ITF) and others have brought up this possibility in the past. Rizgar believes that right now the PUK must maintain their relation with the KDP, but it is important to note that there is no longer a red line between the KDP and the ITF.

¶12. (SBU) Rizgar finished by stating that he is considering bringing a delegation from the Kirkuk PC to Baghdad to discuss these points with the Prime Minister.

¶13. (SBU) In a recent previous meeting Rizgar mentioned that he would be announcing a conference on the elections law to be hosted in Kirkuk. He planned to invite Kirkuk CoR bloc representatives along with Kirkuk PC representatives. IPAQ asked if Rizgar is still considering this conference. He answered affirmatively, but implied that the groups within Kirkuk must come to an agreement before that could occur. He agreed with IPAQ that the blocs must move quickly on this, because it would likely have to happen before Ramadan. At the 19 August PC meeting Rizgar addressed this issue in his opening speech. He explained to the PC members that an agreement reached in Kirkuk will be backed by the USG in Baghdad, and encouraged the different blocs to engage in dialogue and discussions on a solution. He also asked for the Kirkuk CoR members to be in contact with the Kirkuk PC.

¶14. (SBU) COMMENT: The establishment of the PIC is a very important step forward for the Kirkuk PC. Not only does it provide a framework for allowing financial investment in the province, it also demonstrates that the different ethnic blocs can sit down and create a balanced and cooperative agreement. The test will be to see if this cooperation can carry over to an agreement on the elections law. PC Chairman Rizgar's diverse list of items to be discussed in Baghdad may be an attempt to show that the Kurds are not operating unilaterally. The Kurdish parties

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appear to be feeling pressure after the 28 July bombing incident, the 31 July invocation of the Regions Law, and the failure of the CoR to agree on an elections law. END COMMENT.
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